

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	X	
In re	:	Chapter 11
	:	
GAWKER MEDIA LLC, et al.,	:	Case No. 16-11700 (SMB)
	:	
Debtors. ⁽¹⁾	:	Jointly Administered
	X	

Monthly Operating Report
For the Period of January 1, 2017 to January 31, 2017

DEBTORS' ADDRESS: c/o Opportune LLP
10 East 53rd Street, 33rd Floor
New York, NY 10022

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REPORT PREPARER: Gawker Media LLC, et al.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.



William D. Holden
Chief Restructuring Officer

3/8/17

Date

Notes:

⁽¹⁾ The Debtors in these chapter 11 cases and the last four digits of each Debtor's federal tax identification number, as applicable, are as follows: Gawker Media LLC (3231), Gawker Media Group, Inc. (0491) and Gawker Hungary Kft. (5056). The Debtors' corporate headquarters is located at 10 East 53rd Street, 33rd Floor, New York, NY 10022 (c/o Opportune LLP).

NOTES TO THE MONTHLY OPERATING REPORT

General Notes and Basis of Presentation:

This Monthly Operating Report ("MOR") includes activity for the following Debtors:

<u>Debtor</u>	<u>Case No.</u>
Gawker Media LLC	16-11700
Gawker Hungary Kft.	16-11718
Gawker Media Group, Inc.	16-11719

This MOR has been prepared solely for the purposes of complying with the monthly reporting requirements applicable in these Chapter 11 cases and is in a format that the Debtors believe is acceptable to the United States Trustee. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with principles generally accepted in the United States ("GAAP").

The unaudited consolidated financial statements have been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with GAAP, and upon application of such procedures the financial information could be subject to material change.

The financial information contained herein is presented on a preliminary and unaudited basis and remains subject to future adjustment.

The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

Specific Notes Regarding the Balance Sheet (MOR-3):

Liabilities subject to compromise exclude contingent, disputed and unliquidated amounts.

UNITED STATES BANKRUPTCY COURT
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GAWKER MEDIA LLC, et al.,
Debtor

Case No. 16-11700 (SMB)
Reporting Period: 1/1/17 - 1/31/17

Federal Tax I.D. # 20-3040492

MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes	No
Bank Balances	MOR-1 (CONT)	Yes	No
Copies of bank statements		No ⁽¹⁾	No ⁽²⁾
Cash disbursements journals		No ⁽²⁾	No ⁽²⁾
Statement of Operations	MOR-2	Yes	No
Balance Sheet	MOR-3	Yes	No
Status of Post-petition Taxes	MOR-4	Yes	No
Copies of IRS Form 6123 or payment receipt		No ⁽²⁾	No ⁽²⁾
Copies of tax returns filed during reporting period		No ⁽²⁾	No ⁽²⁾
Summary of Unpaid Post-petition Debts	MOR-4	Yes	No
Listing of Aged Accounts Payable		No ⁽²⁾	No ⁽²⁾
Accounts Receivable Reconciliation and Aging	MOR-5	Yes	No
Taxes Reconciliation and Aging	MOR-5	Yes	No
Payments to Insiders and Professional	MOR-6	Yes	No
Post Petition Status of Secured Notes, Leases Payable & Adequate Assurance Payments	MOR-6	Yes	No
Debtor Questionnaire	MOR-7	Yes	No

⁽¹⁾ Provided directly to the UST.

⁽²⁾ Documents will be provided to the UST upon request.

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Case No.	Case Name	Bank Cash Receipts ⁽¹⁾	Bank Cash Disbursements ^{(2) (3)}	Inter-Debtor Transfers
16-11700	Gawker Media LLC	\$ 3,854,030	\$ 6,801,094	\$ (70,295)
16-11718	Gawker Hungary Kft. ⁽⁴⁾	156,135	133,999	70,295
16-11719	Gawker Media Group, Inc.	-	-	-
	Total Debtors	\$ 4,010,165	\$ 6,935,093	\$ -

Notes:

⁽¹⁾ Represents all receipts including cash received on behalf of the buyer in connection with the sale on September 9, 2016 (which was subsequently disbursed to the buyer pursuant to the Winding-Down Services Agreement in place) and excluding intracompany and intercompany funding activity by and among Debtors.

⁽²⁾ Represents all disbursements including operating disbursements (payroll, production, taxes, insurance, utilities, etc.) and non-operating disbursements (restructuring fee, financing fees, interest, etc.). Excludes intracompany and intercompany disbursements.

⁽³⁾ Bank cash disbursements will be used to calculate the U.S. Trustee quarterly fee for each individual case.

⁽⁴⁾ Includes an account held in Hungary denominated in Hungarian Forint ("HUF"). HUF denominated amounts were converted to USD using an exchange rate of 0.0037.

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BANK BALANCES ⁽¹⁾

Entity	Bank	Account No. ⁽²⁾	Description	Ending Bank Balance
Gawker Media Group, Inc.	Silicon Valley Bank	2079	Operating	\$ 7,769
Gawker Media LLC	Silicon Valley Bank	2011	Operating	3,650
Gawker Media LLC	Silicon Valley Bank	0192	Lockbox	-
Gawker Media LLC	Silicon Valley Bank	9122	Indemnity Reserve	249,880
Gawker Media LLC	Silicon Valley Bank	9103	Cash Management Reserve	100,000
Gawker Media LLC	Silicon Valley Bank	9118	Legal Fee Reserve	-
Gawker Media LLC	Silicon Valley Bank	7954	GMLLC Estate	10,782,710
Gawker Media LLC ⁽³⁾	Rabobank	8566	Operating	31,613,411
Gawker Hungary Kft.	Silicon Valley Bank	2064	Operating	11,333,324
Gawker Hungary Kft. ⁽⁴⁾	K&H Bank Zrt.	0002	Operating	-
Total Debtors Bank Cash				\$ 54,090,744

⁽¹⁾ As part of the Debtors monthly close process, all bank accounts have been reconciled to the applicable bank statements without exception. Copies of the bank reconciliations will be provided to the UST upon request. The Debtors were authorized to use these accounts on a post-petition basis pursuant to the final order signed on July 13, 2016 (Docket No. 0092).

⁽²⁾ Last four digits of the account number.

⁽³⁾ The net cash proceeds of the sale to Unimoda, LLC held in this account will be allocated in accordance with the terms of the Amended Joint Chapter 11 Plan of Liquidation for Gawker Media Group, Inc., Gawker Media LLC, and Gawker Hungary Kft. [Docket No. 638-1], which the Court confirmed pursuant to the Findings of Fact, Conclusions of Law, and Order Confirming Amended Joint Chapter 11 Plan of Liquidation for Gawker Media Group, Inc., Gawker Media LLC, and Gawker Hungary Kft. [Docket No. 638].

⁽⁴⁾ Account held in Hungary denominated in Hungarian Forint ("HUF") As of the end of the reporting period, the account balance was HUF 11,576,006.00, which was converted to USD using an exchange rate 0.0037.

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CONSOLIDATED STATEMENT OF OPERATIONS

	January 1, 2017 to January 31, 2017
Revenue:	
Rental income	\$0
Interest income	6,218
Other income	0
Total revenue	6,218
Expenses:	
Payroll and benefits	3,150
Board fees	12,000
General and administrative expenses	13,823
Migration and preservation services	36,130
Insurance	13,798
Rent expense	82,836
Professional fees, non-restructuring	18,973
Depreciation expense	20,614
Bank fees	87,034
Income tax expense (refund)	0
Total expenses	288,359
Net Operating Income	(282,140)
Reorganization items, net	749,529
Net Income	(1,031,669)

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CONSOLIDATED BALANCE SHEET

	<u>January 31, 2017</u>
Assets:	
Cash	\$54,022,236
Accounts receivable	109,668
Prepaid expenses	412,146
Other current assets	472,438
Total current assets	<u>\$55,016,488</u>
Fixed assets	\$307,504
Other Assets	484,298
Loan receivable	205,973
Total assets	<u><u>\$56,014,262</u></u>
Liabilities & Equity:	
Accounts payable	\$4,525,045
Other current liabilities	178,584
Total current liabilities	<u>\$4,703,629</u>
Liabilities subject to compromise	\$2,781,477
Deferred tax liability	390,610
Deferred rent liability	133,566
Total liabilities	<u>8,009,282</u>
Members' Equity	\$39,332,359
Retained earnings	8,672,621
Total liabilities & equity	<u><u>\$56,014,262</u></u>

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STATUS OF POST-PETITION TAXES ⁽¹⁾

	Beginning Tax Liability	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax Liability
Federal						
Withholding	\$ -	\$ -	\$ -	Various	Wire	\$ -
FICA-Employee	-	-	-	Various	Wire	-
FICA-Employer	-	-	-	Various	Wire	-
Unemployment	-	-	-	N/A	N/A	-
Income	-	39,083	(39,083)	1/19/2017	EFT	-
Other: _____	-	-	-	N/A	N/A	-
Total Federal Taxes	\$ -	\$ 39,083	\$ (39,083)			\$ -
State and Local						
Withholding	\$ -	\$ -	\$ -	Various	Wire	\$ -
Sales	-	-	-	N/A	N/A	-
Excise	-	-	-	N/A	N/A	-
Unemployment	-	-	-	N/A	N/A	-
Real Property	-	-	-	N/A	N/A	-
Personal Property	-	-	-	N/A	N/A	-
Other: _____	-	-	-	N/A	N/A	-
Total State and Local	\$ -	\$ -	\$ -			\$ -
Total Taxes	\$ -	\$ 39,083	\$ (39,083)			\$ -

SUMMARY OF UNPAID POST-PETITION DEBTS

	Number of Days Past Due					
	Current	0-30	31-60	61-90	Over 91	Total
Accounts Payable	4,525,045	-	-	-	-	4,525,045

Explain how and when the Debtor intends to pay any past due post-petition debts.

Primarily all open trade payables relate to restructuring professionals invoices that were not transferred over to the buyer as part of the sale of substantially all of the Debtors' assets. These invoices are subject to the Interim Compensation Order and are paid timely as soon as allowed by the order.

⁽¹⁾ Copies of IRS Form 6123 and all state, local and federal tax forms and returns will be provided to the UST upon request.

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at December 1, 2016	\$ 615,688
Plus: Amounts billed during the period	-
Less: Amounts collected during the period (<i>Book Cash Receipts</i>)	(506,020)
Less: Credit Memos / Write Offs / Adjustments	-
Total Accounts Receivable at December 31, 2016	\$ 109,668

Accounts Receivable Aging (by transaction date)	Amount
0 - 30 days old	\$ 109,668
31 - 60 days old	-
61 - 90 days old	-
91+ days old	-
Total Accounts Receivable	\$ 109,668
Less: Bad Debts (Amount considered uncollectible)	-
Net Accounts Receivable	\$ 109,668

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PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS ⁽¹⁾				
NAME ⁽²⁾	Title	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Employees	N/A	Gross Salary	\$ -	\$ 266,710
Board Members	N/A	Board Fees & Expenses	12,000	101,819
TOTAL PAYMENTS TO INSIDERS			\$ 12,000	\$ 368,529

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Deloitte	11/10/2016	\$ -	\$ -	\$ 361,203	\$ 516,427
Houlihan Lokey	7/14/2016	-	-	5,095,468	16,464
Latham & Watkins	7/8/2016	-	-	431,989	-
Levine Sullivan	9/23/2016	-	21,374	315,294	176,165
Opportune LLP	7/14/2016	-	1,271,678	1,900,633	816,895
Prime Clerk	7/14/2016	-	106,630	690,406	85,521
Ropes & Gray LLP	7/14/2016	-	1,530,132	5,509,382	1,686,182
Shulte Roth & Zabel	7/8/2016	-	-	245,282	-
Simpson Thacher & Barlett	8/16/2016	-	131,463	1,584,157	256,048
Cahill Gordon & Reindel LLP	8/11/2016	-	-	67,049	59,480
Citrin Cooperman & Company	9/16/2016	-	38,088	124,791	41,935
Brannock & Humphries	9/23/2016	-	3,746	20,614	10,035
Thomas & Locicero PL	9/23/2016	-	-	7,797	1,088
Bush Ross, P.A.	12/12/2016	-	-	-	5,338
Reczicza Dentons Europe LLP	9/26/2016	-	-	-	7,859
Mourant Ozannes	9/15/2016	-	-	-	28,420
Ordinary Course Professionals	Various	-	-	42,632	-
TOTAL		\$ -	\$ 3,103,110	\$ 16,396,697	\$ 3,707,856

* INCLUDE ESTIMATES AS SOME INVOICES HAVE NOT BEEN RECEIVED

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE
AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	DESCRIPTION	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION ⁽³⁾
N/A			-	-
			-	-
			-	-
TOTAL PAYMENTS		\$ -	\$ -	\$ -

Notes:

⁽¹⁾ For purposes of this report where information regarding “insiders” is disclosed, the Debtors have included information with respect to certain individuals who (i) served as officers and/or directors during the relevant time periods and/or (ii) are shareholders holding 5% or more of the equity of any Debtors. Furthermore, the information listed in respect of payments made to insiders does not include expenses paid to insiders using an American Express credit card. The Debtors directly pay the statements issued by American Express.

⁽²⁾ Names of the insiders are not disclosed and will be provided to the U.S. Trustee upon request.

⁽³⁾ Amounts exclude accrued interest, where applicable.

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period?		✓
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		✓
3. Is the Debtor delinquent in the timely filing of any post-petition tax returns?		✓
4. Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	✓	
5. Is the Debtor delinquent in paying any insurance premium payment?		✓
6. Have any payments been made on pre-petition liabilities this reporting period? ⁽¹⁾	✓	
7. Are any post petition receivables (accounts, notes or loans) due from related parties?	✓	
8. Are any post petition payroll taxes past due?		✓
9. Are any post petition State or Federal income taxes past due?		✓
10. Are any post petition real estate taxes past due?		✓
11. Are any other post petition taxes past due?		✓
12. Have any pre-petition taxes been paid during this reporting period?		✓
13. Are any amounts owed to post petition creditors delinquent?		✓
14. Are any wage payments past due?		✓
15. Have any post petition loans been received by the Debtor from any party?	✓	
16. Is the Debtor delinquent in paying any U.S. Trustee fees?		✓
17. Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		✓
18. Have the owners or shareholders received any compensation outside of the normal course of business?		✓

⁽¹⁾ All payments of pre-petition amounts are pursuant to court orders.